

**JUNE 25, 2015**

**Hanover Area Junior/Senior High School  
Hanover Township, Pennsylvania  
June 25, 2015**

A Special Meeting of the Board of School Directors of the Hanover Area School District was held in the Hanover Area Junior/Senior High School on Thursday, June 25, 2015, at 7:38 P.M. The meeting was called to order by the Board President, Mr. Joseph Steininger.

**PLEDGE OF ALLEGIANCE TO OUR FLAG**

**ROLL CALL OF BOARD MEMBERS:**

**PRESENT:** Joseph Steininger, President; Paul Holmgren, Vice-President; Kevin Quaglia, Treasurer; Lorraine Heydt, Secretary; Frank Ciavarella, Jr., Evelyn R. Evans, John J. Mahle, Jr., and Stacy McGovern, and John Pericci.

**ABSENT:** None

Lorraine Heydt, Secretary, stated a Quorum was established for the meeting.

**OTHER PEOPLE PRESENT:**

Mr. Andrew Kuhl, Superintendent; Mr. Thomas R. Cipriano, Jr., Business Administrator; and a number of citizens.

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**RECOMMENDATIONS:**

**FINANCIAL:**

It was moved by John Mahle, seconded by Paul Holmgren: To approve the following motions:

1. Approve the Hanover Area School District 2015-2016 Final General Fund Budget. Projected Revenues amount to \$26,211,807.00 and Projected Expenditures amount to \$26,211,807.00.

The stated millage rate is 17.1733, an increase of .3 mill. A copy of the Final General Fund Budget will be on display for the inspection of the general public in the District Administrative Office and on the Hanover Area School District website beginning June 29, 2015.

2. Approve First Keystone Community Bank as an authorized depository and authorize the Business Administrator to obtain the paperwork to open the necessary deposit account(s).
3. Accept quotation proposal from First Keystone Community Bank, Hanover Township, to issue a Tax Anticipation Note (TAN), in the amount of \$2,500,000.00 for the period July 1, 2015 through January 31, 2016. The interest rate is fixed at .84%.
4. Approve the Wilkes-Barre Area Career & Technical Center 2015-2016 Operating Budget.

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**BOARD VOTE: (On MOTIONS #1 TO AND INCLUDING MOTION #4 ABOVE):**

YES: Ciavarella (On Motion #1, when we discussed ways to trim the budget down to only a .17 mill increase, and I don't see them on here, so I vote no on Motion #1, all other motions yes); Evans (yes on Motions #2 and #3, no on Motions #1 and #4.); Heydt, Holmgren, Mahle, McGovern (yes on Motions #2, #3, and #4, but no on Motion #1), Pericci, Quaglia, Steininger. NO: Ciavarella (On Motion #1 only); Evans (On Motion #1 and Motion #4 only); McGovern (On Motion #1 only).  
ABSENT: None ABSTAIN: None Chair declared the motions carried.

John Pericci asked if he could make a statement before we go on here. It is very easy to vote yes on the salary increases for the faculty and support services, but the understanding is that a percentage of that cost falls within the outline of the budget. Voting yes for the salary increases but voting no for a tax increase, understanding the situation that we have here with the constrained revenue, I don't know how this organization can do this without increasing taxes. So the reason that I voted yes was because I believe it was difficult based on the amount of cuts that Mr. Ciavarella referred to. We looked at these cuts to determine what impacted education, what impacted the community, what impacted service, and what impacted safety. I voted yes because the cuts that I saw on the board and the recommendations that were made impacted all of those significantly.

Frank Ciavarella replied I do believe, John, the majority of the cuts that I am talking about was voted on by the Board, but when we didn't reach a zero balance budget, they voted to throw everything back, the cuts that was discussed, so that is why I voted no. That is my right and that is what I am going to do.

**PERSONNEL:**

It was moved by Evelyn Evans, seconded by John Mahle: To approve the following motion:

1. Approve the following transfer of entities relative to the Luzerne Intermediate Unit #18 Occupational Therapist classes, effective for the 2015-2016 School Year, as per the Hanover Area Education Association Agreement.

**BOARD VOTE: (ON MOTION #1 ABOVE):** YES: Ciavarella, Evans, Heydt, Holmgren, Mahle, McGovern, Pericci, Quaglia, Steininger. NO: None  
ABSENT: None ABSTAIN: None Chair declared the motion carried.

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**PRESIDENT'S STATEMENT ON THE 2015-2016 FINAL BUDGET:**

Joseph Steininger, Board President, said at this time I would like to read a statement concerning the tax increase in the budget. The final 2015-2016 General Fund Budget continues to provide for the educational needs of our approximately 2,000 students. As presented, the budget includes a .3 mill property tax increase. The average 71,600 homes located within the Hanover Area School District boundaries will experience an increase of \$21.48 in school property tax.

This Budget is not just a snapshot of where the District is headed financially, it is actually a continuation of the conservative fiscal plan that was put in place and implemented five years ago. As you may recall, the District embarked on a very comprehensive austere financial plan at this point five years ago that did not sacrifice the educational services that we provide to our students. And we are proud to continue with this plan. Every financial aspect of our Budget has been examined and re-examined, both on the revenue side and the expense side of the ledger.

Through attrition these past five years we experienced a total staff reduction of approximately 30 individuals; reflected by a loss of 22% of administrative staff, and 15% in all other categories, including teaching staff. We continue to investigate new non-tax revenue sources. This has been accomplished while maintaining our educational programs, our safe and clean facilities, and our extra-curricular programs, and adding programs like the School Resource Officer Program in conjunction with Hanover Township.

With this being said, we must face dark realities, our taxable assessed property valuation has been decreased by \$6.9 million dollars, resulting in a loss of property tax collections of approximately \$450,000 in the past five years. The 2015-2016 Budget is absolutely critical to maintaining a quality of education and the health and safety of our students. Tax revenue will be earmarked for educational, maintenance of facilities, programs; both curricular and extra-curricular, and the overall well-being of our students. But now districts all over are facing very real budgetary pressures from the normal effects of modest salary increases, and inflation to much larger cost pressures from things like health care and PSERS (Public School Employees' Retirement System) cost increases that have been going up much more than inflation. Without any increases in revenues to absorb the impact of these three things: inflation, health care and pensions, real cuts will have to be made in staffing, programming, or both. State funding has increased only 4% over the last seven years. However, the Board has been able to effectively manage its finances to control the tax increases to an average of 1.4% over the same time period.

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This Budget does not come without the real potential of cuts for the 2015-2016 School Year. Contingent upon the Basic Education Funding from the State, we may experience a work-force reduction and a constriction of extra-curricular activities. We will continue to strive to provide the best educational opportunities possible to the Hanover Area community. We acknowledge the hard work of the Board of Education, the faculty, the staff, and the administration in their commitment during these difficult times.

**NEW BUSINESS:**

None

**OLD BUSINESS:**

None

**RECOGNITION OF VISITORS:**

No one wished to be recognized at this Special School Board Meeting.

**FUTURE MEETINGS:**

August Board Work Session                      Monday, August 3, 2015 at 6:00 P.M.

August Regular Monthly Meeting              Thursday, August 6, 2015 at 7:00 P.M.

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**ADJOURNMENT:**

It was moved by Paul Holmgren, seconded by Stacy McGovern: To adjourn the Special School Board Meeting at 7:45 P.M.

**BOARD VOTE:** YES: Ciavarella, Evans, Heydt, Holmgren, Mahle, McGovern, Pericci, Quaglia, Steininger. NO: None ABSENT: None ABSTAIN: None Chair declared the motion carried.

ATTEST: \_\_\_\_\_, Secretary  
**Lorraine Heydt**  
**Hanover Area School Board**